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# SUBNATIONAL STATE CAPACITY IN RUSSIA: THE IMPLEMENTATION OF THE 2012 PRESIDENTIAL “MAY DECREES”

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**Abstract:** Our study of the implementation of the 2012 presidential “May Decrees” in Russia’s regions shows that, even though the political system is highly centralized and authoritarian, the administrative capacity of the state is low and there are wide variations in the execution of the decrees across the Federation. One important factor that has negatively impacted state capacity is the weakness of formal institutions and the dominance of informal over formal politics. The personal ties of regional governors to policymakers at the center and their administrative competence, coupled with the level of cohesion of the regional elite, are the most important determinants of the state’s subnational capacity.

In this study, we examine variations in the levels of subnational state capacity in the Russian Federation. Our focus is the “May Decrees”

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that were adopted by President Putin on May 7, 2012. The package of 11 decrees covered a wide range of issues: “demographic policy; foreign policy; armed forces; military service; inter-ethnic relations; state administration; affordable housing; education and science; health care; social policy; and long-term economic policy.”<sup>1</sup> As Remington notes, the decrees, which were broken down into 2,018 specific assignments, “specified ambitious goals for the government, including concrete target dates for the accomplishment of particular tasks.”<sup>2</sup> According to government estimates, implementation of the decrees over the period 2013-15 would cost 1 trillion rubles, while achieving the full range of targets would cost 3-4% of GDP.<sup>3</sup>

The research questions posed in this article are whether the high political centralization that is clearly present in Russia also ensures a high level of administrative state capacity and what factors are the most important for a high level of administrative capacity across the regions. In this paper, we rely on the research guidelines of institutional economics, as we study an economic phenomenon that is heavily influenced by political and social institutions. As North states, “the theoretical framework should be capable of integrating neo-classical theory with an analysis of the way institutions modify the choice set available to human beings.”<sup>4</sup>

In recent years, scholars have turned their attention to the role of state capacity in boosting the resilience of authoritarian regimes. As Soifer and vom Hau note, “High-capacity states are seen, as generally better equipped to establish a monopoly of violence, enforce contracts, control their populace, regulate institutions, extract resources, and provide public goods.”<sup>5</sup> Likewise, for Andersen et al., a state’s capacity “to penetrate society, regulate social relations, extract resources, and appropriate or use resources in determined ways, stabilizes both authoritarian and democratic regimes.”<sup>6</sup>

## Literature Review: Defining State Capacity

Many studies of state capacity adopt a Weberian approach, focusing on the efficiency and autonomy of the state bureaucracy and its ability to “get things done.” Thus, according to Centeno, Kohli, and Yashar,<sup>7</sup> state

<sup>1</sup> Thomas Remington. 2014. *Presidential Decrees in Russia: A Comparative Perspective*. Cambridge: Cambridge University Press, 2.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid., 4.

<sup>4</sup> Douglass C. North. 1986. “The New Institutional Economics.” *Journal of Institutional and Theoretical Economics* 142: 1: 230-237, 231.

<sup>5</sup> Hillel Soifer and Matthias vom Hau. 2008. “Unpacking the Strength of the State: The Utility of State Infrastructural Power.” *Studies in Comparative International Development* 43: 3: 219-230, 221.

<sup>6</sup> David Andersen, Jørgen Møller, Lasse Lykke Rørbaek, and Svend-Erik Skaaning. 2014. “State Capacity and Political Regime Stability.” *Democratization* 21: 7: 1305-1325, 1306.

<sup>7</sup> Miguel Angel Centeno, Atul Kohli, and Deborah J. Yashar. 2017. “Unpacking States in

capacity “involves the bureaucratic, managerial, and organizational ability to process information, implement policies, and maintain governing systems,” while Skocpol defines state capacity as the ability to “implement official goals, especially over the actual or potential opposition of powerful social groups or in the face of recalcitrant socioeconomic circumstances.”<sup>8</sup> For Migdal, capacities are defined as “the abilities of state leaders to use the agencies of the state to get the people in the society to do what they want them to do.”<sup>9</sup> As Cingolani notes, these include “the capacities to penetrate society, regulate social relationships, extract resources and appropriate or use resources in determined ways.”<sup>10</sup> More parsimoniously, Fukuyama defines state capacity simply as the “ability of states to plan and execute policies and enforce laws cleanly and transparently”<sup>11</sup> and Croissant and Hellmann define it as “the ability of state institutions to implement official goals and policies.”<sup>12</sup>

Summarizing the literature, Giraudy notes that a high-capacity state: “(a) penetrates evenly throughout the territory it claims to govern, regulate, and control; (b) exerts political power autonomously from non-state actors, and (c) relies on a professionalized, institutionally capable, and resourceful bureaucracy to carry out public policies, extract resources (taxes) from society, and deliver public goods, including the rule of law.”<sup>13</sup>

State capacity has also been studied from an international relations perspective, looking at a state’s level of sovereignty and its ability to both defend that sovereignty and advance its interests in the international arena. Thus, for example, Melville et. al. have attempted to assess the quality of statehood: “the level of real (as opposed to formal) sovereignty, independence and self-sufficiency, and the state’s ability to ensure the effective functioning and reproduction of political, economic, social, and other institutions.”<sup>14</sup> They have also have developed an index of statehood,

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the Developing World: Capacity, Performance, and Politics.” In Miguel Angel Centeno, Atul Kohli, and Deborah J. Yashar, *States in the Developing World*. Cambridge: Cambridge University Press, 18.

<sup>8</sup> Theda Skocpol 1985. “Bringing the State Back In: Strategies of Analysis in Current Research.” In Peter B. Evans, Dietrich Rueschemayer, and Theda Skocpol, eds. *Bringing the State Back In*. Cambridge: Cambridge University Press. Quoted in L. Cingolani. 2013. “The State of State Capacity: A Review of Concepts, Evidence and Measures.” *UNU-MERIT Working Papers* 053 (October 10): 9.

<sup>9</sup> Joel S. Migdal. 2001. *State in Society: Studying How States and Societies Transform and Constitute One Another*. Cambridge: Cambridge University Press, xiii.

<sup>10</sup> Cingolani, “The State of State Capacity,” 7.

<sup>11</sup> Francis Fukuyama. 2004. *State-Building: Governance and World Order in the 21st Century*. Ithaca, NY: Cornell University Press, 7.

<sup>12</sup> Aurel Croissant and Olli Hellmann. 2018. “Introduction: State Capacity and Elections in the Study of Authoritarian Regimes.” *International Political Science Review* 39: 1: 3–16, 9.

<sup>13</sup> Agustina Giraudy. 2012. “Conceptualizing State Strength: Moving Beyond Strong and Weak States.” *Revista de Ciencia Política* 32: 3: 599–611, 602.

<sup>14</sup> A. Iu. Melville, M. V. Il’in, Iu. A. Polunin, M. G. Mironiuk, E. Yu. Meleshkina, and I. N.

which indicates “a state’s level of success, governability, capacity and effectiveness” and can “serve as a tool to determine its quality and potential for independent development.”<sup>15</sup>

Many of the current studies on state capacity are based on the work of Mann, who defined two components of state capacity: despotic power, namely “the range of actions that the state elite is empowered to make without consultation with civil society groups;”<sup>16</sup> and infrastructural power, or “the institutional capacity of a central state, despotic or not, to penetrate its territories and logistically implement decisions.”<sup>17</sup> Building on this research, scholars have posited three key dimensions of state capacity: (1) coercive capacity; (2) administrative capacity; and (3) extractive capacity.<sup>18</sup>

Coercive capacity refers to the state’s ability “to maintain a monopoly over the legitimate use of force, including both the ability to maintain order within the borders of the state and to defend the territory against external threats.”<sup>19</sup> Administrative capacity “involves the ability to design and implement policies throughout the territory, and regulate the social and economic sphere.”<sup>20</sup> Finally, extractive capacity refers to the ability of the state to raise taxes and other revenue. As Fortin-Rittberger stresses, “The ability to collect taxes in a sustained and efficient manner can only be achieved when a state has effective control over a territory, since taxes are the product of political bargains between the state and different societal groups.”<sup>21</sup>

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Timofeev. 2007. *Politicheskii Atlas Sovremennosti: Opyt Mnogomernogo Statisticheskogo Analiza Politicheskikh Sistem Sovremennykh Gosudarstv* [Contemporary Political Atlas: Experience of Multidimensional Statistical Analysis of Political Systems of Modern States]. Moscow: MGIMO University, 16

<sup>15</sup> Ibid., 71.

<sup>16</sup> Michael Mann. 1986. *The Sources of Social Power*. New York: Cambridge University Press, 59.

<sup>17</sup> Ibid.

<sup>18</sup> See Andersen, Møller, Rørbaek, and Skaaning, “State Capacity and Political Regime Stability”; Croissant and Hellmann, “Introduction: State Capacity and Elections in the Study of Authoritarian Regimes”; Jonathan K. Hanson and Rachel Sigman. 2011. “Leviathan’s Latent Dimensions: Measuring State Capacity for Comparative Political Research.” Paper presented to the Annual Meeting of the American Political Studies Association; Soifer and vom Hau, “Unpacking the Strength of the State”; David White. 2018. “State Capacity and Regime Resilience in Putin’s Russia.” *International Political Science Review* 39: 1: 130-143; David White and Marc Herzog. 2016. “Examining State Capacity in the Context of Electoral Authoritarianism, Regime Formation and Consolidation in Russia and Turkey.” *Southeast European and Black Sea Studies* 16: 4: 551-569.

<sup>19</sup> Croissant and Hellmann, “Introduction: State Capacity and Elections in the Study of Authoritarian Regimes,” 9.

<sup>20</sup> Jonathan K. Hanson. 2018. “State Capacity and the Resilience of Electoral Authoritarianism: Conceptualizing and Measuring the Institutional Underpinnings of Autocratic Power.” *International Political Science Review* 39: 1: 17-32, 20.

<sup>21</sup> Jessica Fortin-Rittberger. 2014. “Exploring the Relationship between Infrastructural and Coercive State Capacity.” *Democratization* 21: 7: 1244-1264, 1248.

Contemporary research also outlines several other types of state capacity. According to Kugler and Arbetman, the concept of “relative political capacity” “captures the ability of political systems to carry out the tasks chosen by the nation’s government in the face of domestic and international groups with competing priorities.”<sup>22</sup> They emphasize that political capacity can be successfully enjoyed by undemocratic, non-free countries. Other forms of state capacity are “legal capacity”—“the capability of enforcing contracts and property rights (i.e., a judicial system for settling disputes, rule of law)”—and “military capacity,” which “refers to the state’s ability to deter or repel challenges to its authority with force, so facing issues of internal and external security.”<sup>23</sup>

We would also like to stress the importance of legitimacy for regime stability. As Andersen et al. note, “whilst authoritarian systems are able to rely on coercion and repression to counteract less effective performance, in the long term they too are likely to be more stable if they are administered effectively.”<sup>24</sup> High levels of state capacity provide regimes with the ability to deliver public goods efficiently, which increases their stock of performance legitimacy.

### State Capacity: The Subnational Level

Although previous studies have advanced our knowledge of state capacity at the national level, there has to date been very little work on the regional dimension of state capacity. This is despite the fact that, as Soifer and vom Hau rightly stress, “the capabilities of the state vary subnationally: the state is not homogeneously powerful throughout the national territory; its reach is uneven over territory and over societal actors.”<sup>25</sup> However, there is no obvious way to measure state capacity in subnational regions. It is possible to use the degree of the regions’ financial dependence on the center or the level of government debt (by analogy with the existing criteria for national state capacity), but these are only individual criteria that do not present the full picture. Moreover, analysis of subnational sovereignty is a problematic exercise in and of itself, since only federations and confederations are deemed to possess it in the first place. It would thus be more appropriate to interpret regional capacity as an equivalent to national capacity but factor in the limitations of control and resources at the subnational level.

<sup>22</sup> Jacek Kugler and Marina Arbetman. 2018. “Relative Political Capacity: Political Extraction and Political Reach.” In Jacek Kugler and Marina Arbetman, eds. *Political Capacity and Economic Behavior*. London: Routledge, 11-45, 12.

<sup>23</sup> Antonio Savoia and Kunal Sen. 2015. “Measurement, Evolution, Determinants, and Consequences of State Capacity: A Review of Recent Research.” *Journal of Economic Surveys* 29: 3: 441-458, 443.

<sup>24</sup> Andersen, Møller, Rørbaek, and Skaaning, “State Capacity and Political Regime Stability,” 1308.

<sup>25</sup> Soifer and vom Hau, “Unpacking the Strength of the State,” 222.

Some scholars, such as Somuano and Nieto in their study of Mexican regions, differentiate between territories with strong and weak state capacity.<sup>26</sup> In order to measure and evaluate subnational capacity, the authors draw on expert interviews and interpret state capacity as the government's ability to maintain social order. Such studies take subnational capacity as an independent variable and demonstrate how its level influences political participation, testing their hypotheses using regression models. They find that in instances of low subnational capacity, people tend more toward protest actions, whereas strong subnational capacity inclines them towards conventional forms of political participation such as elections and interaction with political representatives. In this study, we adopt a different approach, seeing subnational capacity as a dependent variable and seeking to clarify the key factors from which it is derived. From this perspective, subnational capacity is not seen merely as a reproduction of state capacity at the regional level, but rather is analyzed in terms of national state capacity. To that end, we study the degree to which federal decisions are implemented (or even sabotaged or rejected) across the regions of the state.

### **Administrative State Capacity in the Russian Federation**

In the current literature, subnational state capacity is seen either as the capacity of the state as a whole (but at the level of individual territories) or as the state's administrative capacity to implement its policies across the whole country. Such an approach renders it either difficult or unnecessary to distinguish between the contributions of federal and regional governments to the functioning of state institutions within a given territory. Moreover, in federations with advanced levels of cooperation between the central and regional governments, such as Germany, or in centralized quasi-federations with a hierarchical structure of power, like Russia, this contribution cannot be separated and distinguished, even if we take into account the formal separation of powers between the center and the regions.

In centralized or unitary systems, the regional government is treated as an agent of the central government, which allows scholars to approach the question from a different angle. Here, the focus is on not only the implementation of the decisions of the central government in the regions, but also the success of regional governments at implementing the center's policies. For example, a case study of two Chinese provinces focused on subnational government capacity, which was defined as the capacity of the regional authorities to implement central directives.<sup>27</sup> The study found

<sup>26</sup> Ma. Fernanda Somuano and Fernando Nieto. 2016. *Ciudadanía en México: Ciudadanía activa?* [The Citizenry in Mexico: An Active Citizenry?]. México DF: INE/Colmex.

<sup>27</sup> Kyle Jaros. 2016. "Rethinking Subnational Government Capacity in China." *Journal of Chinese Governance* 1: 4: 633–653.

that the development of internal network structures within a region and the cohesion of its elite were important factors determining the strength of subnational capacity and a region's level of local autonomy. In addition, it found that local-level state capacity is also determined by the ability of the regions to harness the resources and capabilities of the central government, which in many cases will depend on regions' informal ties to political elites at the center.

This approach to examining subnational government capacity in China would also seem to be applicable to Russia. In the Russian case, the internal cohesion of regions is associated with the construction of a hierarchical "vertical of power" between the regional government and its local administrations, as well as the nature of the regional elite and its consolidation, which may depend on the duration of a governor's rule. The regions' formal and informal ties with the center are also very important.

Turning to the subnational dimension of administrative capacity in Russia, we would stress the importance of informal politics and the influence of clientelism and patronage in the decision-making process.<sup>28</sup> In addition, we need to take into account the negative impact of corruption—which, as White stresses, "weakens state capacity through the siphoning of state resources" and "undermining public support in state institutions."<sup>29</sup>

In analyzing the Russian case, we are also reminded of the problem of the low efficiency of state institutions, which can lead to the poor implementation of the center's policies even where centralization is most rigid.<sup>30</sup> Another obstacle to the implementation of political decisions in Russia is the low level of legal capacity, which, as international comparative studies show, can restrict economic growth and give rise to political unrest.<sup>31</sup> In this respect, an analysis of the regional institutional environment—including, for example, the problem of corruption—may be of interest.

Furthermore, researchers often look for connections between state capacity and the development of democracy. International studies indicate that there is a curvilinear (J-shaped) connection between democracy and state capacity, demonstrating the presence of a strong positive relationship only in countries with high levels of democracy, whereas at a low level of democracy such a relationship is negative, and at the medium level it is absent.<sup>32</sup> There have been attempts to measure levels of democracy

<sup>28</sup> See Henry Hale. 2017. "Russian Patronal Politics Beyond Putin." *Daedalus*. 146: 30–40; Geoffrey Hosking. 2000. "Patronage and the Russian State." *The Slavonic and East European Review* 78: 2: 301–320.

<sup>29</sup> White and Herzog, "Examining State Capacity," 562.

<sup>30</sup> On the relationship between state capacity and the quality of institutions, see Andrei Melville and Mikhail Mironyuk. 2016. "'Bad Enough Governance': State Capacity and Quality of Institutions in Post-Soviet Autocracies." *Post-Soviet Affairs* 32: 2: 132–151.

<sup>31</sup> Timothy Besley and Torsten Persson. 2010. "State Capacity, Conflict, and Development." *Econometrica* 78: 1: 1–34.

<sup>32</sup> Hanna Bäck and Axel Hadenius. 2008. "Democracy and State Capacity: Exploring a



in the Russian regions, but these are now of much less value due to the widespread development of authoritarianism across the federation.<sup>33</sup> Nonetheless, under current conditions, the level of electoral competition in regional elections may correlate with state capacity, although it can be expected to have a negative influence on the latter, given the non-linear relationship between democracy and state capacity.

There are also a number of studies that examine the relationship between the level of state capacity and the durability of electoral authoritarianism. In particular, Hanson has written about the capabilities and mechanisms that electoral authoritarian regimes employ to maintain stability.<sup>34</sup> Seeberg has observed that in authoritarian regimes with higher levels of state capacity, autocrats have more opportunities to manipulate voters and prevent protests.<sup>35</sup> Meanwhile, van Ham and Seim note that in electoral authoritarian regimes with high levels of state capacity, there are lower chances of regime change via elections; however, such regime change brings a higher likelihood of democratic change than in the case of governments with low state capacity.<sup>36</sup> These studies lead us to conclude that in electoral authoritarian regimes such as Russia's, the level of state capacity has a significant impact on the regime's ability to maintain stability.

### **Methodology and Results: Assessing Administrative Capacity across the Russian Federation**

In this section, we examine one dimension of state administrative capacity, namely the implementation of the 2012 presidential May Decrees. In our opinion, the implementation of the May Decrees is a reliable indicator of subnational administrative capacity, as it represents the regions' response—or failure to respond adequately—to a series of direct instructions sent from the federal center. How well the regions complied with these guidelines reflects the extent to which the state can implement a unified policy throughout the country, which is the definition of administrative capacity.

We analyzed regional variations in the implementation of the 2012 May Decrees up until the eve of the 2018 presidential elections (i.e., conditions at the end of 2017). We chose to focus on the presidential May Decrees because they received a huge amount of public attention and were seen as a nationwide task that had to be accomplished by the relevant

J-Shaped Relationship." *Governance* 21: 1–24.

<sup>33</sup> N. V. Petrov and A. S. Titkov. 2013. *Reiting Demokratichnosti Regionov Moskovskovo Tsentra Karnegi: 10 let v stroiu* [Carnegie Moscow Center Regional Democracy Rating: 10 Years in the Making]. Moscow: Moskovskii Tsentr Karnegi.

<sup>34</sup> Hanson, "State Capacity and the Resilience of Electoral Authoritarianism."

<sup>35</sup> Merete Bech Seeberg. 2014. "State Capacity and the Paradox of Authoritarian Elections." *Democratization*. 21: 7: 1265–1285.

<sup>36</sup> Soifer and vom Hau, "Unpacking the Strength of the State."

regional authorities. This also allowed us to test the capabilities of the regions, taking into account their very different socio-economic conditions and the administrative competence of their governors.

In our regression analysis, we employ an approach that utilizes a multitude of variables, as opposed to a minimalist approach. Since the implementation of the May Decrees potentially depends on many different independent factors, we include them in the analysis in order to understand which is the most important for effective implementation.

We calculated the number of decree-mandated tasks that were implemented by the regions (these data are available from a special section of the Federal State Statistics Service, [www.gks.ru](http://www.gks.ru)).<sup>37</sup> The May Decrees represent certain goals, expressed in numerical terms, that the regions must achieve by a certain date. In total, we analyzed 21 criteria, including both social and economic criteria, as well as the share of people accessing state and municipal services by digital means (all the criteria we study are described in Table 1). To evaluate each criterion, each goal of the May Decrees was compared with the region's actual situation as of the end of 2017 and coded as "1" (the goal has been met) or "0" (the goal has not been met). Data were available on 14 social criteria and 6 economic criteria, so the overall result for the degree of implementation is tilted in the direction of social criteria.

In general, the level of implementation of the May Decrees in the regions can be considered low, which is to be expected given the lack of a concrete mechanism for reward and punishment. Another important factor was the practical problems faced by the regions in finding enough funds to execute the policies (which ultimately resulted in an accumulation of state debt). The situation was aggravated by the ongoing crises within the Russian economy, which were made even worse by the imposition of Western sanctions after 2014.

According to our analysis, only a single region was able to satisfy more than 50% of the criteria, namely Tatarstan (11 of 21). Five more shared second place, with 10 satisfied criteria (the Lipetsk, Moscow,<sup>38</sup> and Nizhny Novgorod Oblasts, and the Khanty-Mansiysk and Yamalo-Nenetskiy Autonomous Okrugs). Meanwhile, 26 regions met less than a quarter of the criteria. In the bottom spots were the Jewish Autonomous Oblast (only 2 criteria), Bryansk Oblast (3 criteria), and the Kursk, Ryazan, Tver, Pskov, Penza, and Irkutsk Oblasts, as well as the Adygea Republic (4 criteria).

<sup>37</sup> *Ofitsial'naya statisticheskaya informatsiya po pokazateliam, soderzhashchimsya v ukazakh Prezidenta Rossiiskoi Federatsii ot 7 maia 2012 g. No. 596-606, v sootvetstvii s razdelom 2.6. Federal'nogo plana statisticheskikh rabot* [Official Statistical Information on the Indicators Contained in the Decrees of the President of the Russian Federation of May 7, 2012, No. 596-606, in Accordance with Section 2.6 of the Federal Statistical Work Plan], At [https://www.gks.ru/free\\_doc/new\\_site/rosstat/pok-monitor/inf-pok2019.htm](https://www.gks.ru/free_doc/new_site/rosstat/pok-monitor/inf-pok2019.htm), accessed May 30, 2020.

<sup>38</sup> Moscow Oblast is not to be confused with the state's capital, which it surrounds.

If we consider the regions' performance on economic and social indicators separately, it is clear that this was much worse on the former, which points to the limitations created by economic and financial conditions in the regions, which governors are simply unable to change. Indeed, over 50% of regions (46) were unable to satisfy a single criterion of economic development. Meanwhile, wealthy regions tended to be the most successful: Moscow City, St. Petersburg, the Khanty-Mansiysk and Yamalo-Nenetskiy Autonomous Okrugs, and Moscow and Sakhalin Oblasts all satisfied 2 of 6 economic criteria, as did the City of Sevastopol, which benefitted from significant aid from the federal government. But it is clear that the actual degree of implementation of economic criteria was exceedingly low.

The ratings for social criteria, which were more dependent on the actions of the regional authorities, were significantly better. For example, the regions had success at implementing the policy that called for a wage increase for workers in the budgetary sphere (education, healthcare, culture, social welfare, etc.). This was understood to be one of the key objectives of the May Decrees and was closely monitored by the center. There was also a secondary objective here, namely fostering the loyalty of state employees, who are seen as an important state-dependent social group on which the state's leadership relies for its electoral support.

The leaders in implementing social criteria were the republics of Kabardino-Balkaria and Tatarstan, along with Nizhny Novgorod Oblast (9 of 14 targets met). A further 8 regions—Vladimir, Lipetsk, and Moscow Oblasts; the republics of Ingushetia, Karachayevo-Cherkessia, North Ossetia and Chechnya; and the Nenets Autonomous Okrug—met 8 of the targets. The high positions of the republics of the North Caucasus are due primarily to their more traditional ways of life, low rates of illness, and high average life expectancy. One other example, the Republic of Dagestan, ranks slightly lower (7 of 14 criteria), while the Jewish Autonomous Oblast (2 of 14) and Bryansk Oblast (3 of 14) once again find themselves at the bottom.

Let us consider the success of the regions in terms of specific indicators (see Table 1).

As a whole, performance on *social indicators* was better than performance on *economic* ones. The following indicators turned out to be the most difficult for the regions to achieve:

- “Increase in real wages earned by a factor of 1.4.” Not a single region achieved this goal.
- “Rise in wages for doctors to equal 200% of average wages in the region.” Only Kurgan Oblast, with its low average wage, met this goal.

**Table 1. Results of the fulfillment of the criteria of the May Decrees by the regions**

Criteria	Number of regions that met the criterion <sup>39</sup>	Number of regions that did not meet the criterion
<i>Social criteria</i>		
Increase in real wages earned by a factor of 1.4	0	85
Rise in wages for doctors to equal 200% of average wages within the region	1	84
Rise in wages for teachers (general school education) to equal average wages within the region	81	4
Rise in wages for teachers (preschool) to equal average wages within the region for general school education	64	21
Rise in wages for teachers (secondary vocational education) to equal average wages within the region	46	39
Rise in wages for cultural workers to equal average wages within the region	6	79
Rise in wages for teachers (higher education) to equal 200% of average wages within the region	4	74
Rise in wages for research personnel to equal 200% of average wages within the region	13	70
Rise in life expectancy to 74 years of age	7	78
Decrease in mortality due to cardiovascular diseases to 649.4 cases per 100,000 population	56	29
Decrease in mortality due to neoplasms (including malignant neoplasms) to 192.8 cases per 100,000 population	36	49
Decrease in mortality due to tuberculosis to 11.8 cases per 100,000 population	73	12
Decrease in mortality from transport accidents to 10.6 cases per 100,000 population	34	51

<sup>39</sup> The results are presented as of the end of 2017; results are not available for some regions.

Decrease in child mortality to 7.5 cases per 1,000 live births.	77	8
<i>Economic criteria</i>		
Rise in investment by no less than 27% by 2018	24	61
Rise in share of GDP represented by high-tech and science-based sectors of the economy to 1.3 times its level in 2011	2	83
Rise in labor productivity by 2018 to 1.5 times its level in 2011	0	85
Rise in number of highly qualified workers such that it comprises no less than a third of all qualified workers by 2020	12	73
Rise in the share of employed citizens between 25 and 65 years of age who have gained further qualifications or professional training by 37% by 2015	3	82
Rise in domestic funding for research and development to 1.77% of GDP by 2015	5	80
Rise in the share of people using digital access to state and municipal services to 70% by 2018	13	72

*Source:* Compiled by the authors on the basis of research.

- “Rise in wages for teachers (higher education) to equal 200% of average wages in the region.” Just 4 regions reached this goal: Vladimir Oblast, Tomsk Oblast, Tatarstan, and Chuvashia.
- “Rise in wages for cultural workers to equal average wages within the region.” 6 regions met this goal: three federal cities (Moscow, St. Petersburg, and Sevastopol), as well as Vladimir and Sverdlovsk Oblasts, and Primorsky Krai.
- “Rise in life expectancy to 74 years of age.” This goal was met mainly by the regions of the North Caucasus, which are characterized by a longer life expectancy due to cultural characteristics. These are Dagestan, Ingushetia, Kabardino-Balkaria, North Ossetia, and Chechnya, as well as the mostly Russian-speaking Stavropol Territory; Tatarstan also met this criterion.

The following indicators, meanwhile, were the most feasible for the regions:

- “Rise in wages for teachers (general school education) to equal average wages within the region” (81 region); only Tula and Kemerovo Oblasts, Zabaykalsky and Altai Territories did not

achieve this goal.

- “Decrease in child mortality to 7.5 cases per 1,000 live births” (77 regions)
- “Decrease in mortality due to tuberculosis to 11.8 cases per 100,000 population” (73 regions)
- “Rise in wages for teachers (preschool) to equal average wages in the region for general school education” (64 regions).

The results of the remaining indicators differ, with between 13 and 56 regions successfully fulfilling the social criteria (see Table 1).

Performance on *economic targets* was less successful. Only 24 regions managed to achieve a “rise in investment by no less than 27% by 2018.” Just 12 regions achieved a “rise in the number of highly qualified workers such that it comprises no less than a third of all qualified workers by 2020.” The remaining economic criteria appear to have been difficult for almost all regions to implement:

- No region was able to achieve a “rise in labor productivity by 2018 to 1.5 times its level in 2011”
- Only two regions—the Republic of Mariy El and Sakhalin Oblast—achieved a “rise in the share of GDP represented by high-tech and science-based sectors of the economy to 1.3 times its level in 2011”
- Three regions—Khanty-Mansiysk Autonomous Okrug, Omsk and Sverdlovsk Oblasts—achieved a “rise in the share of employed citizens between 25 and 65 years of age who have gained further qualifications or professional training by 37% by 2015.”
- Five regions—the two federal cities (Moscow and St. Petersburg), Moscow, Nizhny Novgorod, and Ulyanovsk Oblasts—succeeded in increasing “domestic funding for research and development to 1.77% of the GDP by 2015.”

Finally, only 13 regions successfully met the special criterion “Rise in the share of people using digital access to state and municipal services to 70% by 2018.”

Thus, for most regions, most of the May Decrees turned out to be impracticable. This may be due to the overambitious and unrealistic expectations of the federal center, as well as the lack of adjustments to the decrees after the economic downturn in 2014.

The results of our study demonstrate that the lists of successful and unsuccessful regions are heterogeneous, which leads us naturally to search for the causes of such regional variations. In Russia, where clientelism and patronage are pervasive, we would argue that the role of agency is especially important and that the patronage ties of regional leaders—rather than their professional experience, awareness of local issues, and other factors—are significant for the successful implementation of the May

Decrees. To test this, we elaborated a number of hypotheses concerning the influence of governors' personal characteristics on the implementation of the May Decrees. We employed the following indicators to express these characteristics (independent variables):

- The governor's public image, operationalized as experience of participating in previous competitive elections;<sup>40</sup>
- Awareness of local problems, operationalized as the governor's territorial origins (belonging to the local elite);<sup>41</sup>
- Professional experience in the federal government as a possible precondition for governor's knowledge of federal policies and requirements.

In addition to analyzing the personal characteristics of the governors, we carried out a study of the influence of the region's internal and external connecting structures (networks), which were shown to be important factors in China. We operationalized the relationships with the center using two variables: the rating of the governors' influence at the federal level (a monthly expert rating by the NGO Agency of Political and Economic Communications, APEC, from which we used the governor capacity ranking as of December 2017<sup>42</sup>) and experience of work in federal executive bodies. We employed two further criteria to examine the cohesion of power within the regions: the operation of an internal vertical of power (as demonstrated by the presence or absence of direct elections of the heads of municipalities within the region) and the governor's administrative experience (the number of years for which the governor had held office without interruption as of the end of 2017). We based the latter criterion on the fact that prolonged governing experience can promote the consolidation of the elite, which is in line with the system of patron-client relationships and formation of personalist regimes that is typical for Russia. It can be argued that the relationship is inverse and governors who successfully meet economic goals will stay in office longer. However, it is important to emphasize that the May Decrees cover only a short period of time (5 years) and this is the duration of one governor's term. If the governor had been in office for more than 5 years by 2017, this was not related to their

<sup>40</sup> In Russia, the Kremlin periodically appointed federal officials or staff of state administrations, who had no previous experience of participation in public politics, as governors. We did not count a governor's presence on United Russia's party lists in proportional system elections (as opposed to single-member district elections) as electoral experience, since this does not demand public activity or political competition.

<sup>41</sup> There is a widespread Russian practice of appointing so-called "outsider" governors (or "varyags") who have no prior relationship to the regions as a whole or previously worked in other regions. This practice has been understood as an attempt to create a class of governors fully loyal to the Kremlin.

<sup>42</sup> The APEC rating is based on the results of expert polls, which are carried out via closed questionnaires. The final rating is a consolidated assessment of the influence of all heads of Russian regions by the leaders of the Russian expert community.

performance in fulfilling the May Decrees.

Since the early 2000s, the federal center has adhered to a policy of political and economic centralization. While we are witnessing the indisputable success of political centralization in the regions, the results of the execution of the May Decrees indicate that the center is not able to ensure centralization in the implementation of socio-economic decisions at the regional level. To test whether the success of political centralization affects the success of the implementation of the May Decrees, we included a variable in the model reflecting the share of United Russia deputies in the region's legislative assembly at the end of 2017.

Since the study's primary hypothesis entails identifying the agency factors connected to the governors' personal characteristics and political connections, we treated indicators of the institutional environment as a control variable. In the absence of other reliable statistics, we used the number of economic crimes per capita as an indirect indicator of the quality of the institutional environment within the regions. We also used the following control variables that are commonly found in Russian regional studies: a region's overall level of economic development (GRP per capita) and the share of the population comprised by ethnic Russians.

In order to evaluate the influence of these indicators on the dependent variable—the implementation of the May Decrees—we conducted regression analysis using the OLS model.

The results of the regression analysis indicate that only two variables were significant across all 5 models: the length of time the governors were in office and the ratings of their influence at the federal level. Both had a positive influence on the implementation of the May Decrees within the regions.

Thus, we can conclude that one of the key factors that influences the effectiveness with which federal decisions are implemented across the state is the governor's experience in office. Thus, for example, in Lipetsk Oblast, which is one of the most successful regions in our study, the governor, Oleg Korolev, had spent 19 years in office as of 2017. The same is true of Nizhny Novgorod Oblast, where Valery Shantsev had served for 12 years. Overall, among the regions that were in the lead in terms of implementing the May Decrees, none had governors that had been in office for less than five years as of the end of 2017; thus, they were all in power before the decrees were issued. In our opinion, the length of a governor's term in office has a direct impact on the cohesion of regional elites. In the course of their terms in office, governors work constantly to strengthen their patron-client ties while suppressing rival groups. As the regional elite becomes more consolidated, it also becomes more capable of implementing decisions coming from above. At the same time, the growing administrative experience of the governor has a positive impact on the region's ability to implement central directives.



Table 2. Results of regression analysis

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Number of years in office <sup>a</sup>	0.0041* (0.002)	0.004** (0.002)	0.0041** (0.002)	0.0048*** (0.002)	0.0045** (0.002)	0.0044** (0.002)	0.0046** (0.002)
Governor's influence on the federal level (APEC rating) <sup>b</sup>	-	-0.001*** (0.000)	-0.001*** (0.000)	-0.0009*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Share of United Russia deputies in the regional legislature			-0.0353 (0.092)	-0.0313 (0.092)	-0.0607 (0.093)	-0.0539 (0.095)	-0.0397 (0.097)
Governor's territorial origins <sup>c</sup>	-	-	-	-0.0123 (0.010)	-0.0161 (0.010)	-0.0146 (0.011)	-0.0152 (0.011)
Governor's electoral experience	-	-	-	-	0.0151 (0.010)	0.0159 (0.010)	0.0152 (0.010)
Governor's federal government experience <sup>d</sup>	-	-	-	-	-	0.0080 (0.018)	0.0068 (0.019)
Internal vertical of power within the region <sup>e</sup>	-	-	-	-	-	-	0.0117 (0.015)
GRP per capita <sup>f</sup>	3.142e-05*** (9.98e-06)	2.715e-05*** (9.49e-06)	2.657e-05*** (9.55e-06)	2.84e-05*** (9.63e-06)	2.446e-05** (9.86e-06)	2.462e-05** (9.92e-06)	2.358e-05* (1e-05)
Number of economic crimes per capita <sup>g</sup>	0.0442 (0.044)	0.0667 (0.042)	0.0628 (0.042)	0.0716 (0.043)	0.0779 (0.042)	0.0761 (0.043)	0.0779 (0.043)
Share of ethnic Russian population <sup>h</sup>	-0.0013*** (0.000)	-0.0013*** (0.000)	-0.0014*** (0.000)	-0.0015*** (0.000)	-0.0016*** (0.000)	-0.0016*** (0.000)	-0.0016*** (0.000)
Adj. R-squared	0.285	0.365	0.368	0.373	0.385	0.378	0.375

## Notes

Significance levels: \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ .

<sup>a</sup> Number of complete, uninterrupted years in office (including as acting governor) as of December 31, 2017 (if the governor entered office in the second half of 2017, the previous governor's characteristics were used).

<sup>b</sup> Rating for December 2017; if the governor left office earlier, we used the data for their last month of office. See *Reiting vliianiia glav sub'ektov RF. Rossiiskie regiony i regional'naia politika v dekabre 2017 goda* [Rating of the Influence of the Heads of Subjects of the Russian Federation. Russian Regions and Regional Policies in December 2017], At [http://www.apecom.ru/projects/item.php?SECTION\\_ID=101&ELEMENT\\_ID=4372&sphrase\\_id=10129](http://www.apecom.ru/projects/item.php?SECTION_ID=101&ELEMENT_ID=4372&sphrase_id=10129), accessed March 27, 2020.

<sup>c</sup> 2 points for a member of the local elite; 1 point for a member of the local elite who worked in the federal center prior to appointment; 0 points for an external appointee with no prior experience of work in the region.

<sup>d</sup> Experience of work in executive bodies of federal government: 1—present, 0—absent.

<sup>e</sup> Presence of direct elections of municipal heads in the region: 2—completely absent, 1—partially present, 0—universal.

<sup>f</sup> *Federal'naia sluzhba gosudarstvennoi statistiki* (Rosstat) [Russian State Statistics Service (Rosstat)], At [https://www.gks.ru/regional\\_statistics](https://www.gks.ru/regional_statistics), accessed March 27, 2020.

<sup>g</sup> *Pravovoi portal General'noi Prokuratury RF* [Legal Portal of the General Procuracy of the Russian Federation], At [http://crimestat.ru/offenses\\_rate](http://crimestat.ru/offenses_rate), accessed March 27, 2020.

<sup>h</sup> *Serossiiskaya perepis' naseleniia 2010* [All-Russian Population Census 2010], At [https://www.gks.ru/free\\_doc/new\\_site/perepis2010/croc/perepis\\_itogi1612.htm](https://www.gks.ru/free_doc/new_site/perepis2010/croc/perepis_itogi1612.htm), accessed March 27, 2020.

Our study further confirmed the positive significance of the governors' ties to the center. These connections allowed governors to gain a better understanding of the center's demands and to receive informal instructions as to how policies should be implemented. Governors' previous experience working in the federal government, meanwhile, did not appear to be significant. We do not believe this to be contradictory, as the practice of parachuting in "outsiders" with experience of work in the federal authorities carries the risk of undermining the internal cohesion of the regional elites. New gubernatorial appointments are typically

accompanied by the replacement of lower-level officials in the regional administrations, often leading to conflicts between the new governors and the local elites.<sup>43</sup> Thus, the Russian case is in line with Jaros' conclusions in his study of subnational state capacity in China that "the ability of the regions to use the capabilities and resources of the central government depends on informal ties between the authorities and the highest political elites."<sup>44</sup>

As expected, gross regional product per capita was particularly significant among the control variables, as demonstrated by the higher level of decree implementation in the wealthy regions. This prevents us from asserting that agency, as determined by the personalities of the governors, is the sole influencing factor. The presence of economic resources within the region also had a positive influence, as many of the economic requirements of the May Decrees were only within reach of the most prosperous regions.

A less expected discovery was the influence of the share of the ethnic Russian population within a region, which had a stable statistically significant negative effect, implying that non-Russian ethnic republics were more successful in reaching the target criteria. On the one hand, as mentioned, this relates to the demographic features of national republics, such as higher life expectancy and lower mortality rates than those to be found in the industrial regions. On the other hand, there has been a radical shift in relations between republics and the center since Putin came to power, and we no longer witness the battles between the regions and the center that were common occurrences in the early 1990s. It is emblematic of this change that Tatarstan—which, alongside Chechnya, was the republic keenest to attain political autonomy—was the region most successful in implementing the May Decrees. Thus, loyal fulfilment of the center's policies has become the new paradigm for the leaders of the ethnic republics, due to both the dependence of the poorer republics on the federal government and the desire of the wealthier republics to preserve some of their privileges in return for loyalty.

The indicator for the institutional environment—the number of economic crimes per capita (model 5)—had an unexpectedly positive influence on the implementation of the decrees. In the context of the widespread lack of meritocracy in the formation of the regional power elite, the implementation of federal policies takes place within the framework of existing patron-client relations and the limited administrative capacity of the state. But we cannot claim that "bad" institutions in these conditions

<sup>43</sup> A. Kynev. 2019. "Fenomen gubernatorov—"varyagov" kak indikator retsentralizatsii (Opyt 1991-2018)" [The Phenomenon of "Varangian" Governors as an Indicator of Recentralization (Experience of 1991-2018)]. *Politiya* 2: 125-150.

<sup>44</sup> Jaros, "Rethinking Subnational Government Capacity in China," 652.

systematically produce “good” results, as the conclusions were obtained on the basis of only one statistical indicator.

Finally, our study did not confirm the importance of the governor’s personal characteristics, such as their territorial origins or electoral experience. In addition, the cohesion of state and municipal powers within a region and the degree of United Russia’s dominance in a regional legislature were not shown to be significant.

## Discussion

Our study of the implementation of the 2012 presidential May Decrees allowed us to identify a number of important factors. First, there is simultaneous influence from both agency factors and the economic resources at a region’s disposal. Since the center’s policies involved achieving a set of socio-economic targets, it is intuitive that the wealthiest regions would have the most potential, and the study confirmed this. At the same time, our study confirms the significance of connecting structures (networks), both external (a governor’s influence with the center) and internal (the cohesion of the regional elite resulting from a governor’s long tenure in office); it also demonstrates that the quality of subnational state capacity largely depends on the regions’ relations with the top federal-level political elites.

Croissant and Hellmann stress that administrative capacity “is a scalar concept, indicating the degree to which state agencies are governed by meritocratic recruitment and formally institutionalized rules, rather than by forms of particularism such as corruption, clientelism, nepotism, cronyism, or patronage.”<sup>45</sup> In Russia, informal politics and networks of personal relations—what Hale<sup>46</sup> terms patronal politics—are pervasive, and such practices have undoubtedly weakened the state’s subnational administrative capacity.

We should also stress that the regions with the best results were by no means those with the highest levels of civic activity, political competitiveness, etc. Essentially, in Russia, “bad” institutions can sometimes achieve relatively “good” results, determined by factors such as a region’s resource level and the administrative competence and influence of its governor. Finally, our study has shown wide variations in levels of state capacity across Russia, confirming that the country’s social, cultural, and political diversity make it impossible for the regime to achieve universal success in implementing its federal policies even under Putin’s rigid centralization of power.

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<sup>45</sup> Croissant and Hellman, 9.

<sup>46</sup> Hale, “Russian Patronal Politics Beyond Putin.”

## Conclusion

The conclusions drawn in our study must be worrying for the Putin regime, the legitimacy of which has primarily been based on “delivering the goods”—that is, providing Russian citizens with greater levels of economic and social security. The regime is currently working to implement a new round of decrees that were adopted when Putin won the presidential election in 2018 and are due to be finalized by the time of the next presidential election in 2024. The new decrees once again promise to deliver economic growth and major investments in social services. However, the factors that prevented the implementation of the 2012 decrees are still in place, and it is most likely that the 2018 decrees will meet the same fate, further undermining support for the regime, which has fallen in recent years in parallel with the drop in living standards.

Our conclusions also throw new light on the powers of the Kremlin and its ability to exercise control over the regions. Putin’s centralization drive, may have weakened the formal powers of the regions and undermined the key principles of federalism (Ross 2005, 2010). However, the Kremlin has been unable to reign in the informal powers of bureaucratic and regional elites, who have been able to mold and adapt federal policies to serve their vested interests.

The results of our study can be generalized to allow us to make assumptions about the functioning of administrative capacity in other authoritarian states, since we observe that the state’s ability to ensure political centralization does not necessarily allow it to successfully pursue a unified policy across its regions. This calls to mind work on “bad enough governance:” current research on post-Soviet countries suggests that an autocrat may not have an incentive to improve institutions that could make his monopoly vulnerable.<sup>47</sup> Future research can also be developed in this direction.

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<sup>47</sup> See Melville and Mironyuk, “Bad Enough Governance.”